

Officials hope refinancing plan will boost CHIP

By ALLISON FARRELL - IR State Bureau - 08/26/04

HELENA - Health insurance for thousands of Montana's uninsured families hangs on the balance of a waiver that the state Department of Public Health and Human Services will ask lawmakers to secure from the federal government in 2005.

If the federal government agrees to meet the state's request and waive the normal Medicaid rules for Montana, low-income insurance programs across the state could be expanded.

The Children's Health Insurance Program or CHIP, which currently serves 10,900 children, could add 5,000 children to its rolls, state health officials said.

Some 3,000 people using the state's Mental Health Services Plan would be eligible for a primary-care health insurance plan and hundreds of children with serious emotional disability will get help transitioning into the adult system, among other programs.

And it shouldn't cost the state a dime more than its spending now, since Medicaid will pay for the brunt of it, officials said. Medicaid is a joint federal-state program that sends three federal dollars to Montana for every dollar the state spends.

"This doesn't cost new state general fund money," said state Medicaid Director John Chappuis. "It looks positive."

The insurance proposal, called "Medicaid refinancing" in policy lingo, is just one of 18 recommendations a Medicaid redesign team spent the last year developing. Now, state lawmakers have to push it through the 2005 Legislature before it can take effect.

Sen. John Cobb, R-Augusta and member of the legislative health and human services subcommittee, said he likes the idea.

"This is the only way I know of, short of tax increases, to do these expansions," Cobb said. "But there's some risks involved."

To get the waiver, the state health department has to agree to limit future Medicaid spending increases to about 7 percent a year, state health officials said. And Cobb also said that the expansion could throw the barn door open to increased state spending for the uninsured in the future.

Regardless of the risks, Cobb said the Legislature will likely approve the plan since it will cover thousands of uninsured Montanans.

"I think it's fantastic for the state and for children," said Tanya Ask, spokeswoman for Blue Cross Blue Shield of Montana, the state's CHIP administrator. "It allows us to do more with the state dollars available."